

Sent from AOL Desktop

In a message dated 6/15/2018 8:45:04 AM Eastern Standard Time,  
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writes:

Hon. Laura Taylor Swain

U.S.District Court,S.D.N.Y.

500 Pearl Street

New York,N.Y.10007

Dear Judge Swain:

My name is Stephen T. Mangiaracina. I recently sent you an email on behalf of my family regarding the above, dated 5/17/18. Please see below.

I just learned that there is a proposed settlement that will be presented to you by the agents for the Commonwealth of Puerto Rico and Cofina prior to the Court rendering a decision on the issues put before it on April 10,2018. In my earlier letter,I implored the Court to please render a decision of record prior to entertaining any settlement discussion,.

Again ,please make a decision on the matters that were submitted to you over two months ago.I have read the arguments by both agents including the history of the sales tax bonds from their birth until the present.The papers were submitted by the law firms retained by the Oversight Board to represent each agent for and against the validity of Cofina and its sales tax bond issues beginning over 10 years ago.

Whatever your decision, I trust it will be well reasoned and thorough.There is the right to appeal. It is the only thing that will give due process to the 'little people'. Once settlement is entertained, the big boys take control over our interests with no end in sight.

Under the unique circumstances of what is before you, I respectfully suggest it would be unethical for the law firms representing their "client " to present a settlement proposal to avoid a decision by you.Their client is one and the same. They cannot put form over substance to fog up this fact. How can you negotiate a settlement with yourself ? Cofina was created by the Commonwealth to raise funds for the benefit of the Commonwealth.If what is before the Court goes to decision,and Cofina prevails, then all the sales tax bond holders prevail also and there will be no issue as to senior or junior sales tax bond holders since there is more than enough money collected to meet the obligation to pay both.If there is a settlement,that issue will be reserved for settlement on another day.If the Court renders a decision,this will not be an issue later.

I have read the submission to the Court by Willkie Farr & Gallagher LLP. It is my understanding that they only represent the agent for Cofina and not its bondholders. Let me just say I am content with what I read. Now after hearing about settlement, I am very displeased. By the quality and extent of their papers I can only imagine what a major national law firm charges for this work. The same is true for their "adversary" law firm,. They are in effect retained by the same Oversight Board. Why bring up settlement now at the 11th hour when a decision is fairly imminent? They have the same client, the Oversight Board, no matter what the caption says. The sales tax bond holders including those "little people" Puerto Rico retirees are not part of that caption.

The fact is that in 2006/2007 Puerto Rico was credit dead,. But for the creation of Cofina by the Commonwealth and the sales taxes upon receipt belonging to Cofina and deposited into a "lockbox" under its control, bond buyers could not have been lured to buy its bonds. Cofina bond holders have a right to rely on the Commonwealth's representations and actions made over 10 years ago. The Commonwealth and its Control Board charged with managing it and its financial affairs should be estopped from claiming and acting otherwise.

Cofina is a corporation formed for a purpose by the Commonwealth.. But for the Court putting a stay on the payment of interest, it would not be in default. Even if Willkie Farr only argued to establish the validity of Cofina and not on behalf of bond holders in what is before the Court, the fact is that if Cofina wins, so do all its bond holders. In order to now encourage the Court to approve a settlement, will Willkie Farr argue that its submission, on behalf of the Oversight Board,, has weaknesses? It sure looks great to me. Their summary judgment motion and reply covered thoroughly every single issue Why would the firm do this at this point if not taking its marching orders from the Oversight Board ? In the true sense, it is not representing a client as is normally understood. This would be severely prejudicial for the sales tax bond holders.

I submit to the Court that the assigned mission for each firm is to argue opposite sides to enable the Court to render a decision on the merits. It does not include these firms being retained to settle what my family and the other sales tax bond holders should get. They served their limited purpose and I assume are being paid handsomely by the Oversight Board. The caption for what is before the Court clearly shows it is the ring leader.. It was established to manage the interests of the Commonwealth. The "little people" sales tax bond holders have not come to this Court and suggested settlement before this Court renders its decision. My family just wants a decision. This settlement scheme being hatched smells. The Oversight Board's interests which are the Commonwealth, are contrary to those of the sales tax bond holders. It should not be allowed to orchestrate a settlement scenario where it controls everything including the outcome to avoid a decision it apparently fears coming soon. We do not have the deep pockets and organizational capability to engage in such a charade. I assume most of the other sales tax bond holders are similarly situated. People (families) need to plan their lives and know where they stand, win or lose. I believe the Court at this point in time knows how it intends to rule on this matter.

I respectfully ask the Court to render its decision.Thank you.

Stephen T. Mangiaracina

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